

WA

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FEB 11 2009

DEPARTMENT OF
WATER RESOURCES

2-10-09

ATTENTION: LUKE ROBERTS

RE: NEEDED COPY OF "SCHEDULE C"

ENCLOSED IS A COPY OF THE "SCHEDULE C"
PART OF THE WARRANTY DEED. IT WAS
STUCK TO THE LAST PAGE OF THE WARRANTY
DEED,

IF ANY ADDITIONAL INFORMATION IS NEEDED
TO CHANGE WATER RIGHT OWNERSHIP, PLEASE
CALL.

SINCERELY,

Carol Schoenewelt
TRUSTEE

CAROL J. SCHOENEWELT'S NON-EXEMPT TRUST
U/I VERNA NIERDZICK

P.O. BOX 247

POLLOCK, ID 83547

(208) 628-4623

MEMORANDUM

TO: Ms. Carol J. Schoenweis
FROM: Enterprise Trust
DATE: April 21, 2008
RE: Estate of Verna Nierdieck

CORRECT
SPELLING

SCHOENEWEIS

As you are aware, you are a beneficiary of the Verna Nierdieck Trust, a copy of which you have previously received. Pursuant to Verna's Trust and as reflected on Verna's Federal Estate Tax Return (copies of relevant pages attached), two trusts are established for your benefit as follows:

- 1) Carol J. Schoenweis, Trustee of the Carol J. Schoenweis GST Exempt Trust U/I Verna Nierdieck dated May 17, 1965, as amended. The tax identification number is 26-6340244. Value as reflected on Verna's Federal Estate Tax Return is
- 2) Carol J. Schoenweis, Trustee of the Carol J. Schoenweis Non-Exempt Trust U/I Verna Nierdieck dated May 17, 1965, as amended. The tax identification number is 26-6340248. Value as reflected on Verna's Federal Estate Tax Return is

Please note that each trust is entitled to a percentage of the total trust assets valued as of the distribution date. The actual amount to compose each trust will fluctuate based upon any asset appreciation and depreciation which may have occurred between Verna's date of death and the date of distribution.

Once all trust accounts are established, Verna's Trust assets will be divided among all beneficiaries as required by the provisions of her Trust. An accounting will be provided to you at the time your trusts are funded. Note also that once established, you may move your trust accounts to any financial institution you desire.

TRUST ADMINISTRATION: You are the sole Trustee of your trust with the power to appoint co-Trustees and successor Trustees. You should discuss and address the Trustee succession issues with an estate planning attorney. The Trustee has the following powers and responsibilities:

Investments: The power of the Trustee to invest the trust assets is virtually unlimited. That is, the trust assets can be invested in securities, real estate, closely-held entities, and any other investment you, as an individual could otherwise make.

Distributions and Power to Appoint: You are entitled to all income of the trust, in convenient intervals, but at least quarterly. Principal of the trust may be distributed to you as the Trustee deems sufficient to provide for your health, support, maintenance or education. The trust terminates upon your death, whereupon the assets are distributed as you direct in your Will, or, in the absence of such a direction, to your heirs, determined under Missouri law. **Note that the assets composing your GST Exempt Trust will not be included in your estate upon your death for federal estate or generation-skipping tax purposes. The Non-Exempt Trust will be included in your estate and potentially subject to estate tax at your death. You should discuss the powers of appointment granted to you and the estate tax inclusion issues with an estate planning attorney.**

Tax Returns: Your trusts are separate taxable entities and Forms 1041 will need to be prepared each year reporting trust income and capital gain. At such time as a distribution is made to you, you will receive a Schedules K-1 specifying what amount of the trust income you must report on your personal income tax return. **You should discuss the preparation of the trust income tax returns with your tax preparer.**

TRUST BENEFITS: Some of the benefits of lifetime trusts are as follows:

Protection from Creditors. Depending upon applicable state law, creditors may not be able to attach assets of the trust during your lifetime and may only be able to attach assets distributed from the trust to you.

~~Protection Against Spousal Claims at Death or Divorce.~~ Again; depending upon applicable state law, the assets composing the trusts may not be subject to division upon divorce or spousal claims upon death. Although the trusts may not be subject to division or spousal claims, you may direct distribution of the trust assets to or in trust for your spouse.

Estate and Generation-Skipping Tax Savings. As indicated above, the GST Exempt Trust is excluded from your estate for estate and generation-skipping tax purposes.

No Guardianship. If you becomes incapacitated, successor Trustees can manage the trust assets for your benefit without a costly, court-supervised guardianship.

No Probate. In the case of death, the trust assets do not become a part of your probate estate and are not subject to probate administration or expenses, attorneys' fees or creditors' claims.